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Last Updated: 11/07/2023

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

EW
C0071

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) / /

Name of Correspondent: Ray Post

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Iranian Government and Settlement for properties in Iran

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CW Halland</u>	<u>ORIGINATOR</u>	<u>DD 8/10/17</u>		<u>C</u>	<u>8/10/09</u>
	Referral Note:				
<u>CW AT II</u>	<u>D</u>	<u>DD 8/10/18</u>		<u>C</u>	<u>8/10/09</u>
	Referral Note:				
<u>CW FIEL</u>	<u>S</u>	<u>8/10/09</u>		<u>RF A</u>	<u>8/10/09</u>
	Referral Note:				
		<u> / / </u>			<u> / / </u>
	Referral Note:				
		<u> / / </u>			<u> / / </u>
	Referral Note:				

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: Oct 9 81 fielding memo to Davis R Robinson legal advisor, Department of State

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 4200 _____

Prime Subject Code: CD 071 Secondary Subject Codes: JL 009
BE 003

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence**
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package**
- C - Copy**
- D - Official document**
- G - Message**
- H - Handcarried**
- L - Letter**
- M - Mailgram**
- O - Memo**
- P - Photo**
- R - Report**
- S - Sealed**
- T - Telegram**
- V - Telephone**
- X - Miscellaneous**
- Y - Study**

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 9, 1981

MEMORANDUM FOR FRED F. FIELDING

FROM: D. EDWARD WILSON, JR. *D. E. W., Jr.*

SUBJECT: Ray Raft's Potential Claim Against Iran

Attached for your review and comment or signature at Tab A is a memorandum transmitting this item to the Department of State for handling. Mr. Raft requested the President's help in resolving a claim against Iran growing out of a breached property settlement and contract by which Mr. Raft's corporation (MRT Systems) would provide data processing services for Iranian health care providers.

I have discussed this matter with David P. Stewart, Esquire, who handles Iranian claims at the Department of State Office of Legal Adviser. Mr. Stewart, it turns out, has already been in contact with Mr. Raft and has informed Mr. Raft that the U.S. Government cannot represent Mr. Raft before the International Tribunal established by the Claims Settlement Agreement. The Agreement is quite specific that an individual must present his claim directly to the Claims Tribunal when, as in Mr. Raft's case, the amount in dispute is in excess of \$250,000.

Mr. Stewart suggested that we send this matter to the Legal Adviser together with the backup documents provided by Mr. Raft. Mr. Stewart was particularly interested to hear that Mr. Raft is also known as Farokh Reza Rafatdjah. Only an American national or a corporation, the majority of the stock of which is owned by Americans, can present claims to the Tribunal.

The original material provided to us by Correspondence is attached at Tab B.

RECOMMENDATION:

That you sign the attached memorandum transmitting this matter to the Legal Adviser, Department of State.

Approve 

Disapprove _____

Comment _____

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 9, 1981

MEMORANDUM FOR: DAVIS R. ROBINSON
 Legal Adviser, Department of State

FROM: FRED F. FIELDING
 Counsel to the President

SUBJECT: Ray Raft, Claim Against Government of Iran

Enclosed with this memorandum is a copy of material received from Ray Raft, a/k/a, Farokh Reza Rafatdjah, requesting the President's assistance in "obtaining justice" with regard to his claim against the Government of Iran.

As I understand it, David P. Stewart, Esquire, of your office has already corresponded with Mr. Raft. In view of this, I would appreciate it if your office would place Mr. Raft's materials in line for any response you deem appropriate. There is no need for your office to send additional communication concerning this matter back to me.

Thank you for your assistance. If you have any questions concerning this matter, please do not hesitate to contact me or Ed Wilson of this Office. His phone number is 456-2934.

MEMORANDUM FOR

Fred Fielding

17 JUL 1981

FROM: CORRESPONDENCE ANALYSIS

Do you want to respond to the attached?

If not, please forward to:

Staff _____

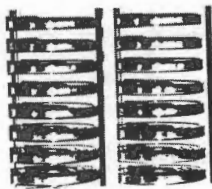
Special Reply _____

Reply Processing _____

Central Files
for Referral

vdas

008



MRT SYSTEMS CORPORATION

2975 Wilshire Blvd. • Los Angeles, California 90010 • Tel. (213) 487-5313 • TLX: 686140 MRT TRADE LSA

July 10, 1981

President Ronald Regan
The President of the United States of America
The White House
Washington D.C. 20515

032808

Dear Mr. President:

You have indicated in the past your strong desire to protect the constitutional rights of Americans. In this regard I find myself in a circumstance that I cannot cope with and feel that I must turn to you for help. Some time ago, the Iranian Government seized two parcels of land (in Iran) that I had received from my parents. This land was valued at \$12,000,000.00 in August 1976. It has become impossible for me to gain any compensation for this property.

In 1976, I entered into an agreement with the Government of Iran whereby I would establish a Division of MRT Systems Corporation (a California corporation owned by my wife and me) in Iran to provide data processing services for Iranian health care providers. This agreement (copy attached) was signed by me and a representative of the Prime Minister of Iran. It includes a provision whereby the Government of Iran would pay me \$12,000,000.00 as settlement for the property taken by it, and I would use \$6,000,000.00 of the settlement to establish the Iranian Division of MRT Systems Corporation.

For slightly over one year, this agreement was being processed by the Government of Iran. In early 1979, after the Shahs departure from the country and the Islamic Government came into power, I tried, unsuccessfully, to settle this matter with the Islamic Government. While Planning a personal visit to Iran to attempt settlement, the United States State Department informed me, as an American citizen, I would face prosecution if I traveled to Iran. After investigation of other possible avenues to obtain payment for my property, I concluded that the only viable alternative was to initiate litigation against the Islamic Government of Iran.

In 1980, I entered into an agreement with Mr. George Halverson, Attorney-at-Law (a copy of this agreement is attached). This resulted in a suit being filed in the Superior Court of the State of California for the County of Los Angeles (copy attached). The Iranian Government was served but did not respond or appear in court. The clerk of the court refused to enter a default judgment against the Islamic Government of Iran. On June 24, 1981, the Honorable Leon Thompson, Judge of the Superior Court likewise refused to enter a default judgment.

Management, Research and Technical Systems

Fred Fielding

MRT SYSTEMS CORPORATION



3475 Wilshire Blvd • Los Angeles, California 90010 • Tel (213) 487-8312 • Tlx 886141 MRTTBADELSA

July 10, 1981

President Ronald Reagan
The President of the United States of America
The White House
Washington, D.C. 20503

Dear Mr. President:

You have indicated in the past your strong desire to protect the constitutional rights of foreigners in this country (and myself in a conversation that I shared with you and that I must first tell you for help. Some time ago, the United States Government seized two parcels of land (in Iran) that I had received from my partner. This land was valued at \$12,000,000.00 in August 1979. It was impossible for me to raise any consideration for this property.

In 1976 I entered into an agreement with the Government of Iran whereby I would establish a Division of MRT Systems Corporation (a California corporation owned by my wife and me) in Iran to provide Iran's processing services. The Iran-Iraq arms agreement (copy attached) was signed by me and a representative of the Iranian Minister of Iran. It includes a provision whereby the Government of Iran would pay me \$12,000,000.00 as settlement for the property taken by it and I would use \$2,000,000.00 of the settlement to establish the Iranian Division of MRT Systems Corporation.

For slightly over one year, this agreement was being processed by the Government of Iran. In early 1979, after the 50th departure from the country and the Islamic Government came into power. I tried unsuccessfully to settle this matter with the Islamic Government. While I wanted a personal deal to Iran on attempt settlement, the United States State Department placed me, as an American citizen, I could face prosecution if I traveled to Iran. After investigation of other possible avenues to obtain payment for my property, I concluded that the only viable alternative was to initiate litigation against the Islamic Government of Iran.

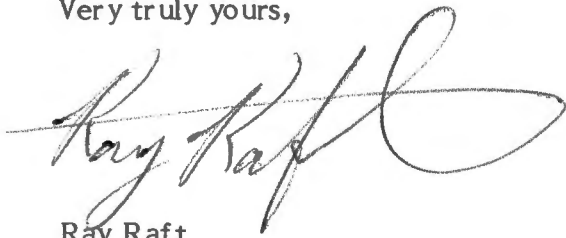
In 1980, I entered into an agreement with Mr. George Bilwisker, Attorney-at-Law, a copy of this agreement is attached. This resulted in a suit being filed in the Superior Court of the State of California for the County of Los Angeles (copy attached). The Islamic Government was served but did not respond or appear in court. The clerk of the court refused to enter a default judgment against the Islamic Government of Iran. On June 24, 1981, the Honorable Loan Damper, Judge of the Superior Court likewise refused to enter a default judgment.

Management, Research and Technical Systems

I feel as though I have no course of action available except to ask your assistance in obtaining justice for me. The filing of my case with the International Tribunal is not possible; my financial condition will not permit this. I stand ready to assist and cooperate with any investigation of the situation that may be initiated. I feel certain that there are many others in the United States who feel as I do and who have experienced losses under circumstances similar to mine.

Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ray Raft". The signature is written in black ink and is positioned above the printed name.

Ray Raft

Enclosures 3

Same letter sent to U.S. Senator Alan Cranston, U.S. Representative Mervyn Dymally, U.S. Representative Julian Dixon and U.S. Representative Henry Waxman

LAW OFFICE OF
GEORGE C. HALVERSEN
A PROFESSIONAL CORPORATION
643 S. OLIVE STREET, SUITE 430
LOS ANGELES, CALIFORNIA 90014
(213) 629-1816 • (213) 629-1825

GEORGE C. HALVERSEN
JOHN P. KRAVE

September 19, 1980

RAY RAFT
MRT SYSTEMS CORPORATION
2975 Wilshire Blvd., Suite One
Los Angeles, California 90010

Re: RAY RAFT v. Government of Iran

Dear Mr. Raft:

This will confirm our understanding that you have retained me to represent you in the above matter, and that I am empowered by you to institute any and all legal action deemed advisable.

The monetary disbursements for this case shall be as follows: 5% of total gross recovery shall be paid to aid the hostages in Iran and the families of those hostages; 5% of total gross recovery shall be paid to the City of Los Angeles for job training of minorities in Los Angeles; 40% of the total net recovery to George C. Halversen for compensation of legal services rendered; and 60% of the total net recovery to Ray Raft.

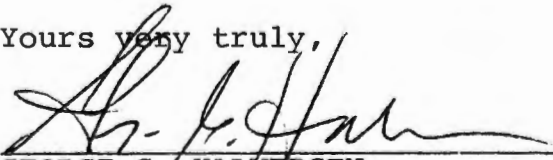
You further agree to advance and/or reimburse all costs and other necessary disbursements expended on your behalf in this matter.

It is understood that there has been no guarantee made by me to you as to the beneficial outcome or success of this matter.

As is customary in matters such as this, a retainer fee is required. Said retainer fee will be deposited into a trust account, and will be disbursed only as costs are incurred.

If the foregoing meets with your approval, please sign and return the enclosed copy of this letter, along with your check in the sum of \$150.00 (retainer fee), in the envelope provided.

Yours very truly,


GEORGE C. HALVERSEN

AGREED & ACCEPTED:

Date 9-29-80


RAY RAFT

ENT SYSTEMS CORPORATION
AND
FARUKH REZA RAFATDJAH

PROPOSAL

PRIME MINISTRY

TEHRAN IRAN

SHARED
DATA PROCESSING SERVICES

TO SERVE

GOVERNMENTAL AND PRIVATE HEALTH CARE INSTITUTIONS

NOVEMBER 1976

Systems Corporation was founded by me in 1973 to provide the highest quality computer services to members of the Health Care Industry- Hospitals- doctors offices- mental health facilities- independent laboratories- independent radiology services and other supportive services. Our main effort has been directed at management information systems and financial management systems. We are not involved with professional services such as monitoring vital signs, interpreting electrocardiograms, etc.

II. QUALIFICATIONS:

I am a native born Iranian who has spent the past fifteen years in the United States. During this time, I have been completing my formal education having received my Masters Degree in Business Administration and my Doctorate in Business Administration. I stand ready to serve his Majesty and am uniquely qualified to provide services to my native people. The education and business experience I have received in the United States are also important factors influencing my ability to provide these quality services. In addition to the normal business interest, I have the strong desire to see the social welfare of my people reach a high level so that happiness and prosperity exist to an unbounding degree. Only someone who was raised in Iran can have the desire for service to the country that I have.

President of MRT Systems Corporation is a former Colonel in the United States Air Force Medical Service. During his more than twenty-one years of active duty, he spent eight years in management functions in the Office of the Surgeon General in Washington, D.C., where the medical, dental and preventive care programs are centrally managed. Our President was also a key participant in the policy formulation, implementation and execution associated with the United States Air Force medical and preventive care delivery systems serving England, Continental Europe, and North Africa within the North Atlantic Treaty Organization. He resided in Germany with the United States Air Force and was totally involved for three years immediately following the United States entry into NATO pact. The system included basic health care organizations for preventive care and doctors' office care. Community hospitals were placed at population centers and specialized care centers were developed to provide sophisticated medical and surgical treatment. Supplementary to the care organizations was a system of patient evacuation to move the patients into care centers. In many instances it was necessary to take the medical, dental and personal hygiene education to the people where the Air Force troop concentration was not large enough to have its own services (such as the dispersed radar sites).

MRT Systems Corporation is prepared to offer the computer applications indicated below. Also we stand ready to design additional systems and to modify our existing ones to meet the needs that are uniquely applicable to the operations within Iran.

1. Patient admitting, discharge and transfer
2. Patient billing
3. Patients' accounts receivable

4. Insurance proration
5. Posting of patients' charges
6. General ledger
 - 7. Operational budgeting
8. Responsibility reporting
9. Bad debts
10. Property ledger
11. Preventive maintenance
12. Cost allocation
13. Medical records
14. Payroll/Personnel
15. Accounts payable
16. Inventory

III. DISCUSSION:

Whether the decision to contract with an outside company, as opposed to owning and operating your own software and hardware, is made on the basis of cost effectiveness or by using the "requirements" approach, almost without exception the result will be the same. It is better in the long term to purchase services, designed to meet your specific needs, from an outside company than it is to own and operate your own computer installation. With the decision being made to purchase computer services by many of the Iranian agencies, perhaps the most technical and least understood by executives, at all organizational and bureaucratic levels, is the hospital system. A high degree of expertise is required to design computerized systems that will provide the central managers with the appropriate information upon which to base decisions giving due consideration to the economic aspects involved while at the same time recognizing that medical and health care is a service vital to the future generations of the people. As a general public service and as a right of the people in some countries, there will be health care decisions made that will not be economically sound but will be extremely sound in terms of the public welfare. When this latter type of decision is made, the decision-makers must have sufficient information to know the full results of their actions. Each decision made must either save or avoid

... to provide better patient (public) services.

Under His Majesty's leadership, outstanding social programs have been instituted in Iran, and great thought and outstanding talents have gone into planning, designing and constructing of medical and dental treatment facilities. It now becomes mandatory that the people receive the services in the most economical manner consistent with achieving the service goals that have been established. The real determinant of whether or not there is goal achievement and need satisfaction, will be the management of not only the individual facilities but also (and probably more important to success) the system as a whole. Effective reporting systems are essential for centralized control. Centralized control, including a high degree of standardization, is essential for the proper functioning of a health care delivery system. This health care delivery system must address the preventive aspects of medicine and dentistry. To achieve the greatest benefits from preventive medical care, there should be concurrent actions to develop and provide sound programs directed at the other preventive factors that affect the health of the people, such as housing, personal hygiene, and nutrition. Here in the United States is probably the best example of the extreme costs and general non-effectiveness of providing only medical and hospital care, and ignoring all of the preventive aspects. The Medicare program that became effective on July 1, 1966 costs billions of dollars a year for hospital and doctor care but it will not provide physical examinations for the beneficiaries so that there can be early detection and treatment of conditions before they reach the serious state and require expensive hospital care. Also here in the United States, there is not one agency who is responsible (or has the authority) to develop and administer programs

designed to meet the people's needs for preventive measures, medical and/or non-medical. To provide for one segment of the health care needs of the people and ignore other aspects, is uneconomical and not in the best interests of the people. To be effective in this vital area, there must be management information reporting to identify the number, locations, problems, costs, conditions, and the like so that informed decisions can be made, and effective, economically-feasible services can be provided.

IV PROPOSAL

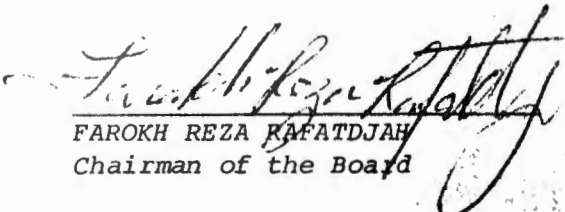
MRT Systems Corporation proposes to establish a Division in Tehran to provide data processing on a shared basis to Governmental and non-governmental agencies. The Tehran Division of MRT Systems Corporation will be particularly sensitive and understanding of the information reporting needs for all aspects of medical and health care delivery organizations. In addition to providing efficient and effective reporting software and hardware, MRT Systems brings the knowledge and experience necessary to design and implement total health care systems from the basic preventive aspects to the provision of the most sophisticated hospital care.

The funds with which to obtain the building, purchase the computer equipment and pay for the software to meet the needs of Iranian Governmental and non-governmental agencies will be approximately six million dollars. Two pieces of property were given to me by my parents and were later taken away by the Government, perhaps for good reason. When I was promised by the Prime Minister (Mr. Hovaida) to be compensated based on today's market value, twelve million, it could finance the establishment and original

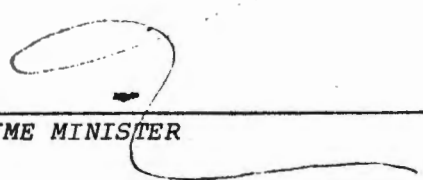
operation of the Tehran Division of MRT Systems Corporation. When I receive this reimbursement I intend to invest at least fifty percent of it in the future of Iran by request of the Prime Minister, providing services that will enable the operation of a quality health care system that will reach down to the common man in the small village.

The above presentation is intended to be general in nature and indicative of the intent of MRT Systems Corporation to provide comprehensive services as require to meet the needs in Iran. If the foregoing is exceptable please treat this proposal as a formal agreement between myself, MRT Systems Corporation and the government of Iran. Furthermore, I will agree to accept twelve (12) million U.S. dollars as full payment for the two parcels of property which were given to me by my parents and seized by the Iranian government. I also agree to your request that all the funds be placed in a California bank in an escrow account which 50% will be released upon my request without any restriction. The other 50% will be placed in an interest earning account, the funds to be disbursed to MRT Systems Corporation or myself upon presenting valid invoices for the purchasing of computer equipment, software, employees' expenses, travel expenses and any other type of expenses related to establishing MRT Systems Corporation branch in Iran.

I hope I have covered all our verbal agreements in this proposal. If so please initiate reimbursement procedures and indicate your approval in the space provided below and return one signed copy to me.


FAROKH REZA RAFATDJAH
Chairman of the Board

ACCEPTED


PRIME MINISTER

NAME AND ADDRESS OF ATTORNEY: GEORGE C. HALVERSEN A Professional Corporation 643 South Olive Street, Suite 430 Los Angeles, California 90014 ATTORNEY FOR (Name): Plaintiff	TELEPHONE NO: 213/629-1816	FOR COURT USE ONLY:
Insert name of court, judicial district or branch court, if any, and Post Office and Street Address: LOS ANGELES SUPERIOR COURT 111 North Hill Street Los Angeles, California 90012		
PLAINTIFF: MRT SYSTEMS CORPORATION, a corporation		
DEFENDANT: THE ISLAMIC GOVERNMENT OF IRAN, a foreign government and DOES 1-50, Inclusive,		
SUMMONS		CASE NUMBER:

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

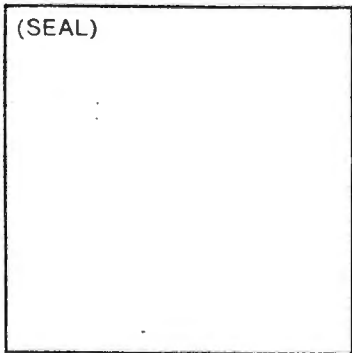
¡AVISO! Usted ha sido demandado. El tribunal puede decidir contra Ud. sin audiencia a menos que Ud. responda dentro de 30 días. Lea la información que sigue.

If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your written response, if any, may be filed on time.

Si Usted desea solicitar el consejo de un abogado en este asunto, debería hacerlo inmediatamente, de esta manera, su respuesta escrita, si hay alguna, puede ser registrada a tiempo.

1. TO THE DEFENDANT: A civil complaint has been filed by the plaintiff against you. If you wish to defend this lawsuit, you must, within **30** days after this summons is served on you, file with this court a written response to the complaint. Unless you do so, your default will be entered on application of the plaintiff, and this court may enter a judgment against you for the relief demanded in the complaint, which could result in garnishment of wages, taking of money or property or other relief requested in the complaint.

DATED: _____, Clerk, By _____, Deputy



2. NOTICE TO THE PERSON SERVED: You are served
- a. As an individual defendant.
 - b. As the person sued under the fictitious name of:
 - c. On behalf of:
- Under: CCP 416.10 (Corporation) CCP 416.60 (Minor)
- CCP 416.20 (Defunct Corporation) CCP 416.70 (Incompetent)
- CCP 416.40 (Association or Partnership) CCP 416.90 (Individual)
- Other:
- d. By personal delivery on (Date):

A written response must be in the form prescribed by the California Rules of Court. It must be filed in this court with the proper filing fee and proof of service of a copy on each plaintiff's attorney and on each plaintiff not represented by an attorney. The time when a summons is deemed served on a party may vary depending on the method of service. For example, see CCP 413.10 through 415.50. The word "complaint" includes cross-complaint, "plaintiff" includes cross-complainant, "defendant" includes cross-defendant, the singular includes the plural.

LAW OFFICE OF
GEORGE C. HALVERSEN
A PROFESSIONAL CORPORATION
643 S. OLIVE STREET, SUITE 430
LOS ANGELES, CALIFORNIA 90014
(213) 629-1816 OR (213) 629-1825

Attorney for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

MRT SYSTEMS CORPORATION, a)	CASE NO.
corporation,)	
Plaintiff,)	COMPLAINT FOR:
vs.)	1) Common Counts
THE ISLAMIC GOVERNMENT OF)	2) Breach of Contract
IRAN, a foreign government,)	
and DOES 1-50, Inclusive,)	
Defendants.)	

Plaintiff MRT SYSTEMS CORPORATION, hereby alleges as follows:

FIRST CAUSE OF ACTION

(For Indebitatus Assumpsit)

1. That plaintiff MRT SYSTEMS CORPORATION ("plaintiff" hereafter), is a California corporation with its principal place of business in the City of Los Angeles, County of Los Angeles, State of California.

2. That defendant THE ISLAMIC GOVERNMENT OF IRAN ("IRAN" hereafter), is a foreign government that, and all times relevant hereto, was engaging in trade and commerce with the United States

1 of America in the above-entitled judicial district.

2 3. That the true names and capacities, whether individual,
3 corporate, associate or otherwise, of the defendants named herein
4 as DOES 1-50, inclusive, are unknown to plaintiff, who thereby sues
5 said defendants by such fictitious names and who will amend this
6 complaint to show their true names and capacities when the same
7 have been ascertained.

8 4. That plaintiff is informed and believes, and upon
9 such information and belief alleges, that each of the defendants
10 in this complaint was, and is, an agent and employee of each of
11 the remaining defendants, and was at all times herein mentioned,
12 acting within the scope of such agency and employment.

13 5. That on or about August 14, 1978, in the City of
14 Tehran, country of Iran, defendant IRAN and DOES 1-50, inclusive,
15 and each of them, became indebted to plaintiff for the sum of
16 \$12,000,000.00 for property conveyed to each of them and said
17 defendants are now so indebted.

18 6. That defendant IRAN, though requested, has not paid
19 the same or any part thereof to plaintiff, and refuses to do so,
20 and is now indebted to plaintiff in that sum, plus interest thereon
21 at the rate of seven percent (7%) per annum from August 14, 1978,
22 until paid.

23 SECOND CAUSE OF ACTION

24 (For Unjust Enrichment against
25 defendant IRAN and DOES 1-50,
26 inclusive.)

27 7. That plaintiff realleges and incorporates herein by
28 reference each and every allegation contained in paragraphs 1-4,

1 inclusive, of its First Cause of Action as though set forth in full.

2 8. That within four years preceding the commencement of this action,
3 defendants IRAN and DOES 1-50, inclusive, received the benefits of plaintiff's
4 money in the sum of \$12,000,000.00, which plaintiff conveyed to said defendants;
5 that in conveying said sum, plaintiff was not acting as a volunteer and said
6 defendants have accepted the benefits of that which plaintiff furnished without
7 furnishing consideration therefor.

8 9. That on account of such facts as are alleged in the
9 preceding paragraph, said defendants are therefore indebted to
10 plaintiff in the sum of \$12,000,000.00.

11 10. That although demand has been made for payment of
12 said sum of \$12,000,000.00, no part of said sum has been paid and
13 there is now due, owing, and unpaid to plaintiff by said defendants
14 the sum of \$12,000,000.00 plus interest thereon at the rate of
15 seven percent (7%) per annum from August 14, 1978, until paid.

16 THIRD CAUSE OF ACTION

17 (For Breach of Contract against
18 defendants IRAN and DOES 1-50,
19 Inclusive)

20 11. That plaintiff realleges and incorporates herein by
21 reference each and every allegation contained in paragraphs 1-4,
22 inclusive, of its First Cause of Action as though set forth in full.

23 12. That on or about November 30, 1976, plaintiff
24 entered into a written agreement with defendants IRAN and DOES 1-50,
25 inclusive, whereunder plaintiff agreed to sell to IRAN certain
26 computer parts in exchange for \$12,000,000.00 to be paid to it by
27 said defendant; and that a true and correct copy of said written
28 agreement is attached hereto as Exhibit "1" and incorporated herein

1 by reference as though set forth in full.

2 13. That plaintiff performed all terms, covenants,
3 and conditions on its part to be performed under terms of said
4 contract with defendant IRAN and DOES 1-50, inclusive.

5 14. That on or about August 14, 1978, defendants IRAN
6 and DOES 1-50, inclusive, breached said contract by failing and
7 refusing to pay to plaintiff the sum of \$6,000,000.00 then due and
8 owing pursuant to said contract.

9 15. That plaintiff has demanded that defendants IRAN
10 and DOES 1-50, inclusive, pay to it all monies due and owing under
11 said contract, and that said defendants have failed and refused to
12 do so.

13 16. That as a direct and proximate consequence of the
14 aforementioned breach of said contract by defendants IRAN and DOES
15 1-50, inclusive, plaintiff has been damaged in the sum of
16 \$12,000,000.00 plus interest thereon at the rate of seven percent
17 (7%) per annum from August 14, 1978, until paid.

18 FOURTH CAUSE OF ACTION

19 (For Breach of Oral Contract
20 against defendants IRAN and DOES
21 1-50, Inclusive)

22 17. That plaintiff realleges and incorporates herein by
23 reference each and every allegation contained in paragraphs 1-4,
24 inclusive, of its First Cause of Action as though set forth in
25 full.

26 18. That on or about June 28, 1976, in the County of
27 Los Angeles, State of California, plaintiff and defendants IRAN
28 and DOES 1-50, inclusive, entered into an oral agreement whereunder

1 plaintiff agreed to sell computer components to said defendants
2 in exchange for the sum of \$12,000,000.00 to be paid to it by
3 said defendants.

4 19. That plaintiff has performed all terms, covenants,
5 and conditions on its part to be performed under the terms of
6 said agreement with defendants IRAN and DOES 1-50, inclusive.

7 20. That on or about August 14, 1978, defendants IRAN
8 and DOES 1-50, inclusive, breached said contract by failing and
9 refusing to pay to plaintiff the sum of \$6,000,000.00 then due
10 and owing pursuant to said contract.

11 21. That plaintiff has demanded that defendants IRAN
12 and DOES 1-50, inclusive, pay to it all monies due and owing
13 under subject contract, but said defendants have failed and
14 refused to do so.

15 22. As a direct and proximate consequence of the
16 aforementioned breach of said contract by defendants IRAN and
17 DOES 1-50, inclusive, plaintiff has been damaged in the sum of
18 \$12,000,000.00 plus interest thereon at the rate of seven percent
19 (7%) per annum from August 14, 1978 until the present time.

20 WHEREFORE, plaintiff prays judgment as follows:

21 AS TO ALL CAUSES OF ACTION AGAINST DEFENDANTS IRAN AND DOES 1-50,
22 INCLUSIVE:

23 1. For the principal sum of \$12,000,000.00 plus interest
24 thereon at the rate of seven percent (7%) per annum from
25 August 14, 1978, until paid;

26 2. For costs of suit incurred herein by plaintiff;

27 //

28 //

BY: IRAN

Flowing

ed and

1 3. For such other and further relief as the Court
2 deems just and proper.

3 DATED: _____

GEORGE C. HALVERSEN
A Professional Corporation

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By: _____
GEORGE C. HALVERSEN
Attorney for Plaintiff

LAW OFFICE OF
GEORGE C. HALVERSEN
A PROFESSIONAL CORPORATION
643 S. OLIVE STREET, SUITE 430
LOS ANGELES, CALIFORNIA 90014
(213) 629-1816 OR (213) 629-1825

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Attorney for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

MRT SYSTEMS CORPORATION, a)	CASE NO.
corporation,)	
)	MEMORANDUM OF POINTS AND
Plaintiff,)	AUTHORITIES IN SUPPORT OF
)	RIGHT TO ATTACH
vs.)	
)	
THE ISLAMIC GOVERNMENT OF)	
IRAN, a foreign government,)	
and DOES 1-50, Inclusive,)	
)	
Defendants.)	
)	

I

DEFENDANT IRAN HAS WAIVED ITS SOVEREIGN IMMUNITY BY ENGAGING IN THE DISPUTED COMMERCIAL TRANSACTION WITH PLAINTIFF MRT

Defendant THE ISLAMIC GOVERNMENT OF IRAN ("IRAN" hereafter) stands subject to prosecution in the present case by virtue of its treaty-imposed waiver of sovereign immunity. Long-standing treaty obligations prevent IRAN from invoking sovereign immunity to protect itself from liability in disputed commercial transactions. The present case is just such an instance, as IRAN breached a commercial contract with plaintiff MRT SYSTEMS

1 CORPORATION ("plaintiff" hereafter) for the sale to IRAN by plain-
2 tiff of certain computer equipment and technology.

3 IRAN's sole possible course of immunity from
4 liability for such wrongful act lies in 28 U.S.C.A. §1604.
5 That section states the general rule that "a foreign state shall
6 be immune from the jurisdiction of the courts of the United
7 States and of the States...". The immunity granted in §1604
8 may be waived in either of two ways. First, IRAN may waive its
9 immunity by means of existing international agreements to which
10 the United States is a party at the time of enactment of the
11 Immunities Act, and second, by engaging in activities described
12 in the statutory exceptions established by 28 U.S.C.A. §§1605-1607.
13 IRAN has waived its immunity in the present case by both of
14 these means.

15 A. 28 U.S.C.A. §1605(a)(2) provides for waiver where a foreign
16 state engages in commercial activity.

17 The Immunities Act provides for statutory waiver of
18 immunity in the following instance:

19 "(a) A foreign state shall not be
20 immune from the jurisdiction of courts
21 of the United States or of the States in
22 any case -- ***

23 (a) in which the action is based upon a
24 commercial activity carried on in the
25 United States by the foreign state..."

26 "Commercial activity" is defined by the Immunities Act to mean
27 "either a regular course of commercial conduct or a particular
28 commercial transaction or act". 28 U.S.C.A. §1603(d). The nature

1 of a particular transaction, and not its purpose, determines
2 whether or not it is of a commercial character. [See United
3 Euram Corp. v. Union of Soviet Socialist Republic (S.D.N.Y. 1978)
4 461 F.Supp 609]. A commercial activity of a foreign state need
5 only have "substantial contact" with the United States in order
6 to be considered "carried on in the United States". [See Behring
7 International, Inc. v. Imperial Iranian Air Force (D.N.J. 1979)
8 475 F.Supp 383, 390].

9 The "substantial contact" with the United States in the
10 present case stems from the drafting of the subject contract in
11 California, as well as performance of most of plaintiff's
12 duties in this state. Plaintiff's contract with IRAN obligated
13 plaintiff to develop a computer system for that country's health
14 care system. Plaintiff, with its principal place of business in
15 Los Angeles would have performed most of its duties under the
16 contract in Los Angeles. Virtually the only act to be performed
17 in IRAN would have been delivery of hardware and software systems.
18 Plaintiff would have performed its technical expertise and crea-
19 tive functions in California, and would only then have shipped
20 the tangible results thereof to IRAN. Defendant IRAN has thus
21 engaged in commercial activity within the United States.

22 B. IRAN has further waived sovereign immunity through execution
23 of the Treaty of Amity.

24 The Treaty of Amity between the United States and
25 IRAN also provides for waiver of sovereign immunity in the present
26 case. A foreign country may waive such immunity by means of
27 clear provision to that effect in treaties to which the United
28 States is a party. 28 U.S.C.A. §1604. Article XI, paragraph 4 of

1 the Treaty of Amity provides for such waiver, as it states:

2 "No enterprise of either High Contract-
3 ing Party [referring to the United States
4 of America and IRAN], including corpora-
5 tions, associations, and government
6 agencies and instrumentalities, which
7 is publicly owned or controlled shall,
8 if it engages in commercial, industrial,
9 shipping or other business activities
10 within the territories of the other High
Contracting Party, claim or enjoin,
either for itself or for its property,
immunity therein from taxation, suit,
execution of judgment, or other liability
to which privately owned and controlled
enterprises are subject therein."
Treaty of Amity, supra, Art. XI, Para 4
[1957] 8 U.S.T. 909 [Emphasis added].

11 Plaintiff has been unable to discover any evidence whatever that
12 the above-cited Treaty has been abrogated by the political tur-
13 moil of the past two years in Iran, or by the Iranian Government's
14 taking of American hostages from the U.S. Embassy. Therefore,
15 Iran's commercial activities within the United States, as
16 discussed in the preceding section, constitute a waiver of its
17 sovereign immunity pursuant to the above-cited Treaty of Amity.

18 II

19 IRAN IS SUBJECT TO PERSONAL
20 JURISDICTION IN CALIFORNIA
21 BECAUSE OF ITS COMMERCIAL
22 ACTIVITIES WITHIN THE STATE

23 Defendant IRAN has engaged in numerous commercial trans-
24 actions within the State of California, has purposely availed
25 itself of California law, and is therefore subject to the juris-
26 diction of California courts. The attached Declaration of Ray
27 Raft discloses the existence of a business relationship between
28 plaintiff and IRAN, as well as a breach of contract by IRAN which
has caused a notable effect within the State of California.

1 Jurisdiction is thus both proper and necessary.

2 The U. S. Supreme Court has long held that even though
3 an act may be done elsewhere, if it has effects within a state
4 the state may have jurisdiction, unless the nature of the effects
5 and the defendant's relationship to the state make exercise thereof
6 unreasonable. [See McGee v. International Life Insurance Co.
7 (1958) 355 U.S. 220, 78 S. Ct. 199, 2L.Ed. 2d 223; see also
8 Quattrone v. Superior Court (1975) 44 Cal.App. 3d 296, 303, 118
9 Cal. Rptr. 548]. In McGee, the defendant's insurance company
10 had its principal place of business in Texas, and its sole relation
11 to California was the mailing of a reinsurance certificate to
12 decedent. The decedent paid his premiums by mail until his death. The
13 Supreme Court held judgment entered against the insurance
14 company to be valid, despite the fact that the company had never
15 had any office or agent in California, and, so far as the records
16 showed, had never done any business in California except for
17 the disputed policy. The Supreme Court's rationale was that
18 the contract was delivered in California, the premiums were
19 mailed from California, and the insured was a resident of the
20 State when he died. California thus had a manifest interest in
21 providing effective means of redress for residents who would
22 have been at great disadvantage if forced to follow defendants
23 to foreign states (or, as in the instant case, to foreign
24 countries). McGee, supra, 78 S.Ct. 201, 2L.Ed. 2d 226.

25 Like McGee, supra, the record in the present case
26 reflects limited but highly significant contact between IRAN
27 and the forum state. IRAN's breach of its contract with
28 plaintiff for the purchase of computer components has had a

1 catastrophic effect upon plaintiff's corporate health, causing
2 severe financial disruption. As was the case in McGee, this
3 plaintiff has no recourse other than the court in order to
4 win redress. If plaintiff, and not IRAN, had breached the sub-
5 ject contracts, then defendant would surely have recourse against
6 plaintiff in this state's courts, and would thus have availed itself
7 of the protection of California commercial law in its transactions
8 with plaintiff. Accordingly, this court has both an interest and
9 a duty to insure that a California corporation such as plaintiff
10 is protected by the commercial laws of this state against other-
11 wise untouchable wrongdoers such as defendants. (For a fuller
12 discussion of the impact of IRAN's breach of contract upon
13 plaintiff, see the Declaration of Ray Raft attached hereto).

14 In Hanson v. Denckla (1958) 357 U.S. 235, 78S.Ct.
15 1228, 2L.Ed. 2d 1283, the United States Supreme Court stressed
16 the importance of a foreign defendant's reliance upon the benefits
17 and protection of the laws of the forum State. The Court stated:

18 "The unilateral activity of those who claim
19 some relationship with a non-resident defendant
20 cannot satisfy the requirements of contact with
21 the forum State. The application of that rule
22 will vary with the quality and nature of the de-
23 fendant's activity, but it is essential in each
24 case that there be some act by which the defendant
25 purposefully availed itself of the privilege of
26 conducting activities within the forum State,
27 thus invoking the benefits and protections of its
28 laws." [Emphasis added].

1 The Second District Court of Appeal applied the
2 above-stated principles of jurisdiction in Quattrone v. Superior
3 Court (1975) 44 Cal.App. 3d 296, 118 Cal.Rptr. 548, stating:

4 "From McGee and Hanson we conclude
5 that it is reasonable to exercise juris-
6 diction on the basis of the defendant in-
7 tentiously causing "effects in the State
8 by an omission or acts done elsewhere" when-
9 ever (a) the effects are of a nature 'that
10 the State treats as exceptional and subject
11 to special regulation,' or (b) the defend-
12 ant has, in connection with his causing
13 such effects in the forum State, invoke
14 'the benefits and protections of its laws.'"

15 The Quattrone court, supra, found such availment
16 where the defendant was alleged to have committed wrongful acts
17 with respect to a stock transaction covered by the California
18 Corporations Code. The present case is analogous in that the
19 California Commercial Code §§2200 et seq. and §§2300 et seq.
20 regulate the formation of contracts and commercial sales
21 respectively. The Quattrone court stated that California law
22 "clearly indicated the strong state policy to protect the share-
23 holders of a California corporation against unfair transactions
24 affecting their interests as investors." (Quattrone, supra at page
25 554.) California law clearly evinces a similarly strong State
26 policy to protect California businesses against unfair commercial
27 transactions adversely affecting their financial interests. IRANS's

28 //

1 acts as alleged in the complaint constitute a flagrant breach of
2 California commercial law and gravely affect plaintiff's welfare.
3 It is only fair that California courts exercise their jurisdiction
4 to make IRAN accountable for its transgressions.

5 III

6 PLAINTIFF'S CLAIM AGAINST IRAN IS
7 SUBJECT TO ATTACHMENT

8 Code of Civil Procedure Section 483.010(a) states:

9 "(a) Except as otherwise provided by statute,
10 an attachment may be issued only in an action
11 on a claim or claims for money, each of which
12 is based upon a contract, express or implied,
13 where the total amount of such claim or claims
14 is a fixed or readily ascertainable amount
15 not less than five hundred dollars (\$500) ex-
16 clusive of costs, interest, and attorney's
17 fees."

18 Plaintiff's claim against IRAN satisfies Section
19 483.010(a) in that it is a simple action for breach of contract
20 and common counts stemming from a commercial transaction with
21 defendant IRAN. The disputed claim is readily ascertainable
22 because the amount thereof is set forth in the terms of the
23 alleged agreement itself. Factually, the claim is open and shut:
24 IRAN promised to pay to plaintiff the sum of \$12,000,000.00 for
25 sale of computer components, but failed and refused to do so.
26 This suit does not involve any secured claim or claims against
27 individuals, actions which are not subject to attachment under
28 Section 483.010(b) and (c). The attached Declaration of Ray Raft

1 attests to this fact in greater detail.

2 IV

3 PLAINTIFF PROPERLY SERVED DEFENDANT
4 IN ACCORDANCE WITH 28 U.S.C.A. §1608

5 Service of process upon a foreign government must be
6 performed in accordance with 28 U.S.C.A. §1608, which states:

7 "(a) Service in the courts of the United
8 States and of the States shall be made
9 upon a foreign state or political sub-
10 division of a foreign state:

11 (1) by delivery of a copy of the
12 summons and complaint in accordance with
13 any special arrangement for service be-
14 tween the plaintiff and the foreign state
15 or political subdivision; or

16 (2) if no special arrangement exists,
17 by delivery of a copy of the summons
18 and complaint within accordance of an
19 applicable international convention on
20 service of judicial documents; or

21 (3) if service cannot be made under
22 paragraph (1) or (2), by sending a
23 copy of the summons and complaint and
24 a notice of suit, together with a trans-
25 lation of each into the official language
26 of the foreign state, by any form of mail
27 requiring a signed receipt, to be addressed
28 and dispatched by the Clerk of the Court

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to the head of the Ministry of Foreign
Affairs of the foreign state concerned..."

The attached Declaration of John P. Krave
verifies that service upon IRAN was made in conformance with
the above-quoted statute. Said Declaration verifies that no
special arrangements for service exist either between plaintiff
and IRAN, or in accordance with any applicable international
convention. Therefore, plaintiff's service upon IRAN in
accordance with the above-quoted section (a) (3) was legally
sufficient.

V
CONCLUSION

For the reasons stated above, and for all other
reasons the Court deems proper, plaintiff requests that an
Order to Attach be issued against defendant IRAN.

DATED: _____

Respectfully submitted,
GEORGE C. HALVERSEN
A Professional Corporation

By: _____
GEORGE C. HALVERSEN
Attorney for Plaintiff

cyj

DECLARATION OF RAY RAFT

I, RAY RAFT, also known as FAROKH REZA RAFATDJAH, being duly sworn, do declare and state as follows:

1. That I am now, and was at all relevant times, President of plaintiff MRT SYSTEMS CORPORATION ("plaintiff" hereafter) and could testify from personal knowledge as to the truth of matters related here.

2. That on or about November 30, 1976, on behalf of plaintiff, I entered into an agreement, both oral and written, with the Government of Iran for the sale of certain computer components by plaintiff to that country. Such sale involved both hardware and software components, as well as the design of a health care package intended to facilitate the development of a modern health care system in IRAN. The agreement also calls for payment to plaintiff of the sum of \$12,000,000.00, \$6,000,000.00 of which was to be released to plaintiff immediately upon its request, with the remaining monies payable upon the providing of services to IRAN. The initial \$6,000,000.00 installment, however was to be payable prior to the rendering of any services whatever, and was intended to be an advance commitment on the part of IRAN to ensure the rendering of plaintiff's services.

3. Said written and oral agreement (identical in their terms) were respectively executed and entered into by Amir Hovida, then Prime Minister of Iran and fully authorized to enter into contracts on behalf of said county. A true and correct copy of said written agreement is attached to the Complaint and incorporated herein by reference as Exhibit "1".

1 4. During the remainder of 1976 and throughout
2 1977, I exchanged considerable correspondence with various
3 officials of the Iranian government. None of said officials
4 informed or warned me that the Government of Iran would or
5 intended to renege on its obligations to me with respect to said
6 agreement.

7 5. As of the date of this agreement, the Government
8 of Iran has never paid to plaintiff any monies whatever due and
9 owing pursuant to said agreement. Despite my repeated requests
10 and demands, said Government has never paid to plaintiff the
11 sum of \$6,000,000.00 intended to serve as an additional payment
12 on the specified contract price.

13 6. Plaintiff has performed all terms, covenants,
14 and conditions on its part to be performed pursuant to said
15 agreement prior to the initial payment that IRAN has refused to
16 make. Plaintiff has compiled in accordance with said agreement
17 a Preliminary Health Care Computer Programming Package, but IRAN
18 has failed and refused to pay to plaintiff the sum of \$6,000,000.00
19 additionally due and owing to it.

20 7. In August, 1978, I filed a "Plea For Justice" in
21 IRAN, believing this to be the only available means of assuring
22 compliance with said written agreement. To prosecute such action,
23 it would have been necessary for me to travel to IRAN. However,
24 I was advised not to travel to IRAN by officials of the United
25 States State Department.

26 8. In about January, 1979, defendant herein, THE
27 ISLAMIC GOVERNMENT OF IRAN, became the ruling authority of the
28 country of IRAN. I am informed and believe that said defendant has

1 appropriated all assets of the preceding government. The present
2 lawsuit is the only means available to plaintiff to prosecute this
3 claim against THE ISLAMIC GOVERNMENT OF IRAN. I am no longer
4 legally allowed to travel to IRAN, and even if I could, I do
5 not believe that the courts of that country would allow a fair
6 hearing of plaintiff's commercial claim against IRAN. Therefore,
7 I request that the attachment of THE ISLAMIC GOVERNMENT OF IRAN's
8 assets be granted.

9 9. As a direct result of IRAN's breach of contract as
10 alleged in the Complaint, plaintiff has suffered severe financial
11 upheavals. Plaintiff procured a \$160,000.00 Small Business
12 Administration loan in 1976 with the intention of repaying same
13 from proceeds of said contract with IRAN. Because IRAN refused to
14 pay plaintiff as promised, plaintiff was late on several install-
15 ments of said loan, and the Small Business Administration
16 recalled it in April, 1979. The Small Business
17 Administration recall has had severe effects with respect to
18 plaintiff's credit rating and ability to procure capital.

19 I declare under penalty of perjury that the foregoing
20 is true and correct.

21 Executed this _____ day of November, 1980.

22
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24 _____
25 RAY RAFT aka FAROKH REZA RAFATDJAH
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cyj

NAME AND ADDRESS OF ATTORNEY: GEORGE C. HALVERSEN A Professional Corporation 643 South Olive Street, Suite 430 Los Angeles, California 90014 Attorney for Plaintiff	TELEPHONE NO.: 213/629-1816	FOR COURT USE ONLY
Insert name of court, judicial district or branch court, if any, and post office and street address: LOS ANGELES SUPERIOR COURT 111 North Hill Street Los Angeles, California 90012		
PLAINTIFF: MRT SYSTEMS CORPORATION, a corporation		
DEFENDANT: THE ISLAMIC GOVERNMENT OF IRAN, a foreign government and DOES 1-50 Inclusive		
APPLICATION FOR <input checked="" type="checkbox"/> RIGHT TO ATTACH ORDER <input checked="" type="checkbox"/> ORDER FOR ISSUANCE OF WRIT OF ATTACHMENT <input type="checkbox"/> ADDITIONAL WRIT OF ATTACHMENT <input type="checkbox"/> TEMPORARY PROTECTIVE ORDER <input checked="" type="checkbox"/> AFTER HEARING <input type="checkbox"/> EX PARTE <input type="checkbox"/> AGAINST PROPERTY OF NONRESIDENT		CASE NUMBER:

1. Plaintiff (Name): MRT SYSTEMS CORPORATION, a corporation

makes application after hearing ex parte for

- a. right to attach order and writ of attachment
- b. writ of attachment
- c. additional writ of attachment
- d. temporary protective order
- e. an order directing the defendant to transfer to the levying officer possession of property in defendant's possession documentary evidence in defendant's possession of title to property documentary evidence in defendant's possession of debt owed to defendant.

2. Defendant (Name): THE ISLAMIC GOVERNMENT OF IRAN, a foreign government

- a. is a corporation qualified not qualified to do business in California.
- b. is a California partnership or other unincorporated association is a foreign partnership which has has not filed a designation under Corp C 15700.
- c. is an individual who resides does not reside in California.

3. Attachment is not sought for a purpose other than recovery on a claim for money which is not secured within the meaning of CCP 483.010 and is based upon a contract; the facts showing plaintiff is entitled to a judgment are set forth in the verified complaint attached affidavit following facts:

- 4. The claim arises out of the conduct by the individual defendant of a trade, business or profession. The claim is not based on the sale or lease of property, a license to use property, the furnishing of services, or the loan of money where any of the foregoing was used by the defendant primarily for personal, family or household purposes.
- 5. Plaintiff seeks to recover from defendant the amount, exclusive of interest, of: \$6,000,250.00
 - a. which includes estimated costs of: \$250.00
 - b. which includes estimated allowable attorney fees of: \$
- 6. Plaintiff has no information or belief that the claim is discharged or the prosecution of the action is stayed in a proceeding under the National Bankruptcy Act.

(Continued on reverse side)

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RC064

The word "plaintiff" includes cross-complainant. "defendant" includes cross-defendant, singular includes the plural, and masculine includes feminine and neuter. Verified pleadings and affidavits supporting this application must comply with CCP 482.040. Declaration under penalty of perjury must be signed in California, or in a state that authorizes use of a declaration in place of an affidavit; otherwise an affidavit is required.

Form Approved by the
Judicial Council of California

APPLICATION FOR ATTACHMENT,

CCP §§ 482.040, 482.080,
484.010-484.030, 484.310

7. Plaintiff is informed and believes that the following property sought to be attached is subject to attachment

- a. Real property standing in the name of defendant or any other person (Describe property; state name and address of other person in the manner required by CCP 488.310):

- b. Tangible personal property in the possession of defendant or any other person (Describe property; state name and address of other person):

- c. Farm products or inventory of a going business (Describe):

- d. Motor vehicles or vessels which are equipment of a going business and for which a certificate of ownership has been issued by the Department of Motor Vehicles (Describe):

- e. Equipment of a going business (Other than in item 7d. Describe):

- f. Growing crops or timber to be cut, standing on the real property of the defendant or any other person (State location of and describe crops or timber; state name of other person):

- g. Money of an individual defendant
 - (1) located on the premises where a trade, business or profession is conducted by defendant
 - (2) in excess of \$1,000 located elsewhere than on the premises where a trade, business or profession is conducted by defendant and not in deposit accounts
 - (3) located in a deposit account in excess of \$1,000
 - (4) in excess of an aggregate amount of \$1,000 located in deposit accounts in a deposit account and money located elsewhere than on the premises where a trade, business or profession is conducted by defendant.
- h. Property covered by the bulk sales notice recorded in: County, on (Date): or the proceeds of the sale of such property.
- i. Plaintiff's pro rata share of proceeds from an escrow in which defendant's liquor license (Numbered): is sold.
- j. Any corporate or partnership (California unincorporated association) property for which a method of levy is provided. (Use only for other than an individual defendant.)
- k. Any property of a nonresident defendant for which a method of levy is provided (CCP 492.040).
- l. Other property (CCP 488.370-488.430. Describe):

8. Plaintiff is informed and believes that the property sought to be attached is not exempt from attachment.
9. The court issued a Right to Attach Order on (Date): pursuant to CCP 484.090 (On hearing) and Order for Writ of Attachment pursuant to CCP 492.030 (Nonresident) and Order for Writ of Attachment pursuant to CCP 485.220 (Ex parte).
10. The court pursuant to CCP 485.240 found plaintiff is entitled to a Right to Attach Order on (Date):
11. Nonresident defendant has not filed a general appearance.
12. Plaintiff alleges on ex parte application for order for writ of attachment is informed and believes on application for temporary protective order that plaintiff would suffer great or irreparable injury if the order is not issued before the matter can be heard on notice because
- a. It may be inferred that there is a danger that the property sought to be attached would be
- (1) concealed
- (2) substantially impaired in value
- (3) made unavailable to levy by other than concealment or impairment in value
- and the inference is supported by facts set forth in the verified complaint attached affidavit
- following facts (Specify):
- b. a bulk sales notice was recorded in: County on (Date): and published pursuant to Division 6 of the Commercial Code with respect to a bulk transfer by the defendant.
- c. An escrow has been opened pursuant to the provisions of Bus & PC 24074 with respect to the sale by the defendant of a liquor license (Numbered):
- d. Other circumstances (Indicate):

13. Plaintiff requests the following relief in the temporary protective order (Specify):

14. Plaintiff a. has filed an undertaking in the amount of: \$
- b. has not filed an undertaking.

Dated:

Ray Raft, President _____
 (Type or print name of applicant) (Signature of applicant)

By: _____
 (Name and title)

15. All facts contained herein are within the declarant's personal knowledge as shown by the following.
 Declarant negotiated the disputed contract, and is personally familiar with all details concerning it.

DECLARATION

I certify (declare) under penalty of perjury that the foregoing is true and correct and that this declaration is executed on (Date): at (Place): . . . Los Angeles, California.

Ray Raft aka Farokh Reza Rafatdjah _____
 (Type or print name) (Signature of declarant)

16. Total number of pages attached:

NAME AND ADDRESS OF ATTORNEY: GEORGE C. HALVERSEN A Professional Corporation 643 South Olive Street, Suite 430 Los Angeles, California 90014 ATTORNEY FOR: <u>Plaintiff</u>	TELEPHONE NO.: 213/629-1816	FOR COURT USE ONLY
Insert name of court, judicial district or branch court, if any, and post office and street address: LOS ANGELES SUPERIOR COURT 111 North Hill Street Los Angeles, California 90012		
PLAINTIFF: MRT SYSTEMS CORPORATION, a corporation		
DEFENDANT: THE ISLAMIC GOVERNMENT OF IRAN, a foreign government and DOES 1-50, Inclusive,		
NOTICE OF APPLICATION AND HEARING FOR <input checked="" type="checkbox"/> RIGHT TO ATTACH ORDER <input checked="" type="checkbox"/> ORDER FOR ISSUANCE OF <input checked="" type="checkbox"/> WRIT OF ATTACHMENT <input type="checkbox"/> ADDITIONAL WRITS OF ATTACHMENT		CASE NUMBER:

1. Notice to defendant (Name): THE ISLAMIC GOVERNMENT OF IRAN
2. Plaintiff has filed an application for
 - a. a right to attach order and writ of attachment. (Check items 4a, 4b and 4d(1))
 - b. a writ of attachment. (Check item 4d(2))
 - c. an additional writ of attachment. (Check item 4d(2))
3. A hearing on plaintiff's application will be held in this court as follows:
 - a. Date: Time: Dept. Div. Rm. No.:
 - b. Address of court: Los Angeles Superior Court
111 North Hill Street
Los Angeles, California 90012
4. You are notified that
 - a. A right to attach order will be issued if the court finds that plaintiff's claim is probably valid and the other requirements for issuing the order are established. This hearing is not for the purpose of determining whether the claim is actually valid. Determination of the actual validity of the claim will be made in subsequent proceedings in the action and will not be affected by the decision at the hearing on the application for the order.
 - b. If you desire to oppose the issuance of a right to attach order, you must file with this court and serve on plaintiff no later than five days prior to the date set for hearing in item 3, a notice of opposition and supporting affidavit as required by CCP 484.060.
 - c. If a right to attach order is or has been issued, a writ of attachment will be issued to attach your property described in plaintiff's application unless the court determines that such property is exempt from attachment or that its value clearly exceeds the amount necessary to satisfy the amount to be secured by the attachment. However, since the right to attach order will not necessarily be limited to your property described in plaintiff's application, a writ of attachment may later be issued to attach other of your nonexempt property.

(Continued on reverse side)

156 At least 20 days prior to the hearing, the defendant shall be served with a copy of this notice and other documents required by either CCP 484.040 or CCP 484.330, as appropriate. The word "plaintiff" includes cross-complainant, "defendant" includes cross-defendant, singular includes the plural and masculine includes feminine and neuter.

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RC068

**NOTICE OF APPLICATION AND HEARING FOR
RIGHT TO ATTACH ORDER AND WRITS OF ATTACHMENT**

Form Approved by the

d. If you claim that all or some portion of the property described in plaintiff's application is exempt from attachment, you must, no later than five days prior to this hearing

(1) include your claim of exemption in your notice of opposition filed and served pursuant to CCP 484.060 or file and serve a separate claim of exemption with respect to the property as provided in CCP 484.070.

(2) file with the court and serve on plaintiff a claim of exemption with respect to the property as provided in CCP 484.350. If you fail to prove that such property is exempt, any further claim of exemption to such property will be barred in the absence of a showing of change in circumstances occurring after expiration of the time for claiming exemptions.

e. Claims of exemption resulting from a change of circumstances, whether after denial of a previous claim or expiration of the time for claiming exemptions, may be asserted as provided in CCP 482.100.

f. You may obtain a determination at the hearing whether property not described in the application is exempt from attachment. Your failure to claim that property not described in the application is exempt from attachment will not preclude you from making a claim of exemption with respect to such property at a later time.

g. Either you or your attorney or both of you may be present at the hearing.

h. YOU MAY SEEK THE ADVICE OF AN ATTORNEY AS TO ANY MATTER CONNECTED WITH PLAINTIFF'S APPLICATION. SUCH ATTORNEY SHOULD BE CONSULTED PROMPTLY SO THAT HE MAY ASSIST YOU BEFORE THE TIME SET FOR HEARING.

Dated:

JOHN P. KRAVE (Signature of (Attorney for) Plaintiff)

NAME AND ADDRESS OF ATTORNEY: GEORGE C. HALVERSEN A Professional Corporation 643 South Olive Street, Suite 430 Los Angeles, California 90014 ATTORNEY FOR: Plaintiff	TELEPHONE NO.: 213/629-1816	FOR COURT USE ONLY
Insert name of court, judicial district or branch court, if any, and post office and street address: LOS ANGELES SUPERIOR COURT 111 North Hill Street Los Angeles, California 90012		
PLAINTIFF: MRT SYSTEMS CORPORATION, a corporation		
DEFENDANT: THE ISLAMIC GOVERNMENT OF IRAN, a foreign government		
NOTICE OF ATTACHMENT		CASE NUMBER:

NOTICE TO PERSON SERVED (Name): THE ISLAMIC GOVERNMENT OF IRAN

Plaintiff in this action seeks to attach property in which defendant has an interest. The property is described in the accompanying Writ of Attachment and Order for Issuance of Writ of Attachment.

1. You are served as a defendant. You have the right to be represented by an attorney in this action. An undertaking has been filed by plaintiff.
 - a. You have the right to object to the undertaking on the grounds of the insufficiency of the sureties or the amount of the undertaking. You may apply for an order to substitute an undertaking for your property which has been or is subject to being attached.
 - b. You have a duty to release tangible personal property to the levying officer. Your farm products or inventory of a going business have been or are subject to attachment; you have the rights and duties specified in CCP 488.360.
 - c. You may claim any available exemption for your property.
 - d. You may apply for a release of the attachment to the extent that the value of your interest in the property exceeds the amount necessary to satisfy the attachment.
 - e. You may apply to the court for an order modifying or vacating any temporary protective order in the interests of justice or for an order terminating the same upon filing an undertaking.
 - f. If the writ of attachment has been issued against you as a nonresident, you may have the right to attach order set aside by filing a general appearance.
 - g. If the writ of attachment was issued on an ex parte application, you may apply for an order that the right to attach order be set aside, the writ quashed, and any property levied upon pursuant to the writ be released.
 - h. If you recover judgment against plaintiff, you may apply for a release of all property attached by plaintiff under the Writ of Attachment. If judgment is recovered against you and you appeal, you have the right to obtain the release of your property by filing a sufficient undertaking.

2. You are served as a nondefendant
 - a. Person with an interest in the real property.
 - b. Occupant of the real property.
 - c. Person in possession of the tangible personal property.
 - d. Legal owner of the motor vehicle or vessel.
 - e. Account debtor obligated on the chattel paper. You have the duty to make any payments required under the chattel paper to the levying officer.
 - f. Account debtor under the account receivable or chose in action.
 - g. Insurer under the insurance policy.
 - h. Obligee of the account debtor or insurer.
 - i. Financial institution.
 - j. Person in whose name the deposit account is held.
 - k. Person in possession of the negotiable instrument, negotiable document, or money not in a deposit account.

(Continued on reverse side)

- l. Person in possession of chattel paper. You have the duty to deliver to the levying officer any payments required by chattel paper described in the accompanying Writ of Attachment and made to you by the account debtor after the date of this levy.
 - m. Person in possession of securities held in escrow pursuant to the Corporate Securities Law or person in possession of securities surrendered to the issuer.
 - n. Obligor under the negotiable instrument or negotiable document. You may pay the amount owing on the negotiable instrument or document to the levying officer.
 - o. Judgment debtor.
 - p. Personal representative of a decedent to whose estate the personal property belongs. You have the duty to report all attachments of personal property to the probate court when any petition for distribution is filed. Such attachment shall not impair your powers over the property for the purposes of administration. If a decree orders distribution to the defendant, the property shall be delivered to the officer making the levy, but not until the decree distributing the interest has become final.
3. If you claim an interest in personal property described in the accompanying Writ of Attachment, you have a right to file a third party claim under CCP 689.
 4. If you have an interest in the property attached or sought to be attached, as a defendant, or as determined pursuant to CCP 689, and the property is perishable or will greatly deteriorate or depreciate in value, or for other good reason, you may apply by noticed motion for an order that such property be sold, or that a receiver be appointed, or that the levying officer take charge of, cultivate, care for, preserve, collect, harvest, pack, or sell such property. The court may order any receiver to be paid from the proceeds of the sale of your property.
 5. You may recover damages for wrongful attachment.
 6. You may object to the undertaking if you claim an interest in funds on deposit not standing in the name of defendant alone or in property in a safe deposit box rented other than to the defendant.
 7. If you are in possession of tangible personal property belonging to the defendant and described in the accompanying Writ of Attachment, you have the right to demand, at any time, that the levying officer take such property into his custody.
 8. Persons in possession of defendant's personal property, account debtors of the defendant and persons obligated to the defendant on a negotiable instrument, upon being served with a copy of the Writ and Notice of Attachment, may be liable to the plaintiff for the value of defendant's interest in the respective property. (CCP 488.550).

NOTICE TO ACCOUNT DEBTOR, JUDGMENT DEBTOR OR PERSON IN POSSESSION OF PERSONAL PROPERTY. Failure, within ten (10) days after service of the Writ of Attachment and this Notice, to give to the levying officer upon his request a memorandum describing any of defendant's property in your possession, or any debt owed to the defendant, which is levied upon, stating its value or amount due, may subject you to liability for payment of costs of obtaining this information. If you deny you possess any property of the defendant, or owe the defendant any debt, you shall so state in your memorandum. You may mail your memorandum to the address specified in item 9 or give it to the levying officer.

Items 9 through 13 are to be completed by the levying officer before service of this notice.

9. Address to which account debtor, judgment debtor or person in possession of personal property may send the required memorandum:

10. The Writ of Attachment and this notice were recorded on (Date): in County.
11. A copy of the Writ of Attachment and this Notice were filed on (Date):. with the clerk of the court.
 - a. Title of court and location:

 - b. Case number:
 - c. Title of case:
12. A notice was filed with the Secretary of State under CCP 488.340 under CCP 488.360(c) on (Date):
13. A notice was filed with the Department of Motor Vehicles on (Date):

..... (Type or print name) (Signature of Levying Officer)

NAME AND ADDRESS OF ATTORNEY: GEORGE C. HALVERSEN A Professional Corporation 643 South Olive Street, Suite 430 Los Angeles, California 90014 ATTORNEY FOR: Plaintiff	TELEPHONE NO.: 213/629-1816	FOR COURT USE ONLY
Insert name of court, judicial district or branch court, if any, and post office and street address: LOS ANGELES SUPERIOR COURT 111 North Hill Street Los Angeles, California 90012		
PLAINTIFF: MRT SYSTEMS CORPORATION, a corporation		
DEFENDANT: THE ISLAMIC GOVERNMENT OF IRAN, a foreign government and DOES 1-50, Inclusive		
<input checked="" type="checkbox"/> RIGHT TO ATTACH ORDER AFTER HEARING <input checked="" type="checkbox"/> ORDER FOR ISSUANCE OF WRIT OF ATTACHMENT AFTER HEARING		CASE NUMBER:

1. The application of plaintiff (Name): **MRT SYSTEMS CORPORATION, a corporation**

for a right to attach order and order for issuance of writ of attachment order for issuance of writ of attachment
 against the property of defendant (Name): **THE ISLAMIC GOVERNMENT OF IRAN, a foreign government**
 came on for hearing as follows (Check boxes in item 1 c and d to indicate personal presence)

a. Judge (Name):

b. Hearing date: Time: Div. Dept. Room No.:

c. Plaintiff (Name): **MRT SYSTEMS CORPORATION** Attorney (Name): **GEORGE C. HALVERSEN**
THE ISLAMIC GOVERN-

d. Defendant (Name): **MENT OF IRAN** Attorney (Name):

FINDINGS

2. The Court finds
- a. Defendant is a corporation partnership unincorporated association individual. - A foreign govern
- b. The claim upon which the application is based is one upon which an attachment may be issued.
- c. Plaintiff has established the probable validity of the claim upon which the application is based.
- d. The attachment is not sought for a purpose other than the recovery on the claim upon which the application is based.
- e. Defendant failed to prove that all of the property described in plaintiff's application is exempt from attachment.
- f. The following property of defendant, described in plaintiff's application, is exempt from attachment (Specify):
- g. The following property, not described in plaintiff's application, claimed by defendant to be exempt
 (1) is exempt from attachment (Specify):
- (2) is not exempt from attachment (Specify):
- h. An undertaking in the amount of: \$ **7,500.00** is required before a writ shall issue,
 and plaintiff has has not filed an undertaking in that amount.
- i. A Right to Attach Order pursuant to CCP 484.090 (On hearing) CCP 485.220 (Ex parte) was issued on
 (Date):
- j. The Court pursuant to CCP 485.240 found plaintiff is entitled to a Right to Attach Order on (Date):
- k. Other (Specify):

(Continued on reverse side)

ORDER

3. IT IS ORDERED

- a. Plaintiff has a right to attach property of defendant (Name): THE ISLAMIC GOVERNMENT OF IRAN in the amount of: \$ 6,000,250.00
- b. The property described in items 2f and 2g(1) of the findings is exempt and shall not be attached.
- c. The clerk shall issue a writ of attachment forthwith upon the filing of an undertaking in the amount of: \$ 7,500.00 against the property of defendant described below or in attachment 3c.

- (1) Real property, standing in the name of defendant or any other person. (Describe property; state name and address of other person in the manner required by CCP 488.310):
- (2) Tangible personal property in the possession of defendant or any other person. (Describe; state name and address of other person):
- (3) Farm products or inventory of a going business. (Describe):
- (4) Motor vehicles or vessels which are equipment of a going business and for which a certificate of ownership has been issued by the Department of Motor Vehicles. (Describe):
- (5) Equipment of a going business (Other than in item 3c(4)). (Describe):
- (6) Crops growing on or timber to be cut standing upon real property in the name of defendant or any other person. (State location of and describe; state name and address of other person in the manner required by CCP 488.010 and CCP 488.360(c)):
- (7) Money of an individual defendant
 - (a) located on the premises where a trade, business or profession is conducted by defendant
 - (b) in excess of \$1,000 elsewhere than on the premises where a trade, business or profession is conducted by defendant and not in deposit accounts
 - (c) located in a deposit account in excess of \$1,000
 - (d) in excess of an aggregate amount of \$1,000 located in deposit accounts in a deposit account and money located elsewhere than on the premises where a trade, business or profession is conducted by defendant.
- (8) Other property (CCP 488.370-488.430 and CCP 487.010 Describe):

(9) Any property for which a method of levy is provided (Use only for other than individual defendant).

- d. Defendant (Name): (who was personally present when the following order was pronounced orally by the court) shall transfer to the levying officer possession of any documentary evidence in defendant's possession of title to any property described in item 3c; any documentary evidence in defendant's possession of debt owed to defendant described in item 3c; the following property in defendant's possession (Specify):

NOTICE TO DEFENDANT: Failure to comply with this order may subject you to being held in contempt of court.

e. Other:

f. Total number of boxes checked in item 3: 5

Dated:

(Type or print name)

(Signature of Judge)

A

B